

Fidelity Bank Investor Presentation

Unaudited Financial Results for the 9 months ended
September 30, 2019



1. Overview of Fidelity Bank

2. The Operating Environment

3. Financial Highlights

4. Financial Review

5. 9M 2019 Actual Vs. 2019FY Guidance



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Overview of Fidelity Bank



Ownership

Total Assets: **N1,971bn**
\$5.5bn

32.0bn Authorized Shares
Issued And Fully Paid → **28.96bn**

Listings:

- 28.96bn** Shares
- THE Nigerian STOCK EXCHANGE** (RC: 2321)
- Irish Stock Exchange**
- \$400m Oct 2022 Eurobond**

FMDO
OTC Securities Exchange
7yr N30bn May 2022 NGN Bonds

Operations & Contact Channels

Professional Staff 2,981
Male: 55%
Female: 45%

5.0 Million Accounts

814 ATMs

2.1m Cards

2.3m Mobile Customers

7,071 POS

250 Branches

Governance

14 Board Members
Non-Executives: 7
Executives: 7

5 Board Committees

Executive Management Team 10

FitchRatings B- (Stable)

S&P Global B- (Stable)

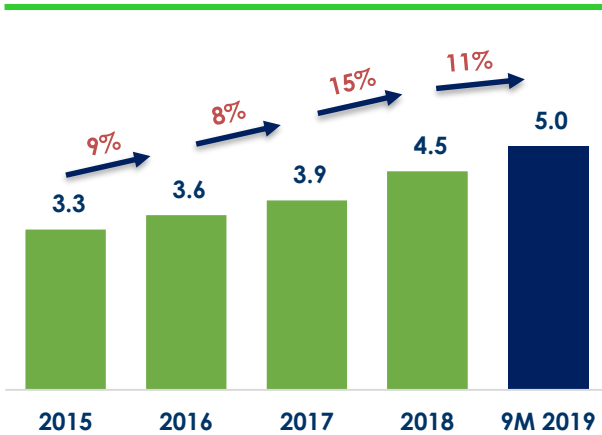
GCR GLOBAL CREDIT RATING CO. A-NG (Stable)
Local Expertise • Global Presence

Overview of Fidelity Bank

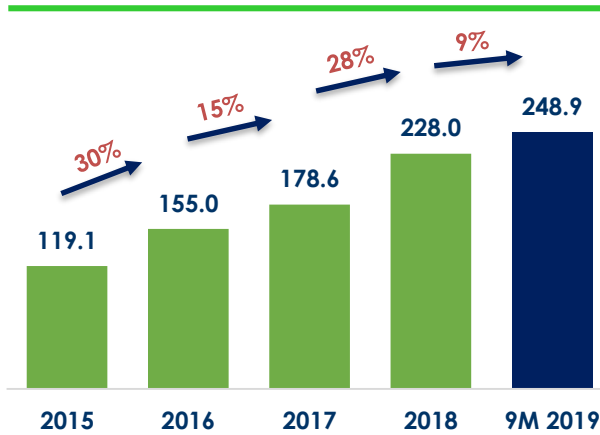


Retail And Digital Banking Evolution / Progress Report

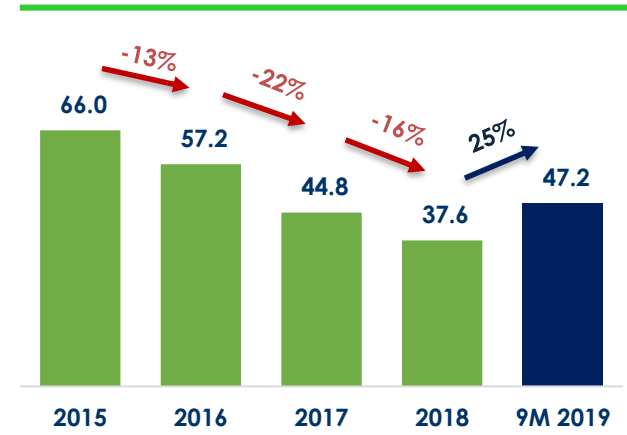
Number of Customer Accounts (#'m)



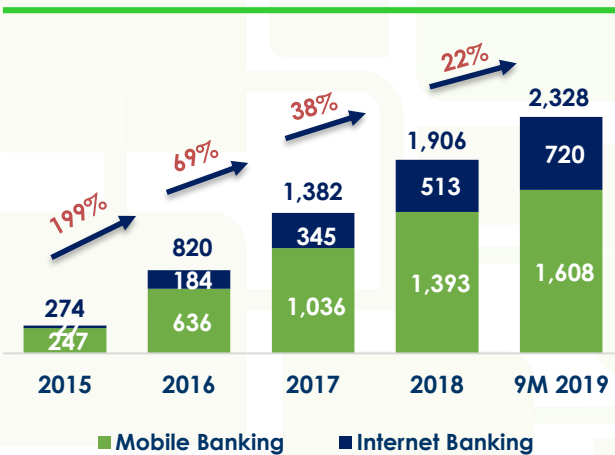
Savings deposits (N'bn)



Retail Risk Assets (N'bn)



Mobile/Internet Banking Cust. (#'000)



Number of Debit Cardholders (#'000)



Commentary

- ▶ Savings deposits on track for 6th consecutive year of double digit growth.
- ▶ Retail loans gradually picking up with the launch of new digital lending products (FFL)
- ▶ 46.4% of customers now enrolled on mobile/Internet banking products
- ▶ 82.0% of customers transactions are now done on electronic banking channels.
- ▶ Digital Banking now accounts for 31.5% of Fee Income.

Let's do some softbanking

I am Ivy

Fidelity Bank's Virtual Assistant



I can help with:

- Bill Payments
- Account Opening
- Balance Enquiry
- Fund Transfers
- Forex Rates
- Up to 200K per transaction, per day
- and so much more

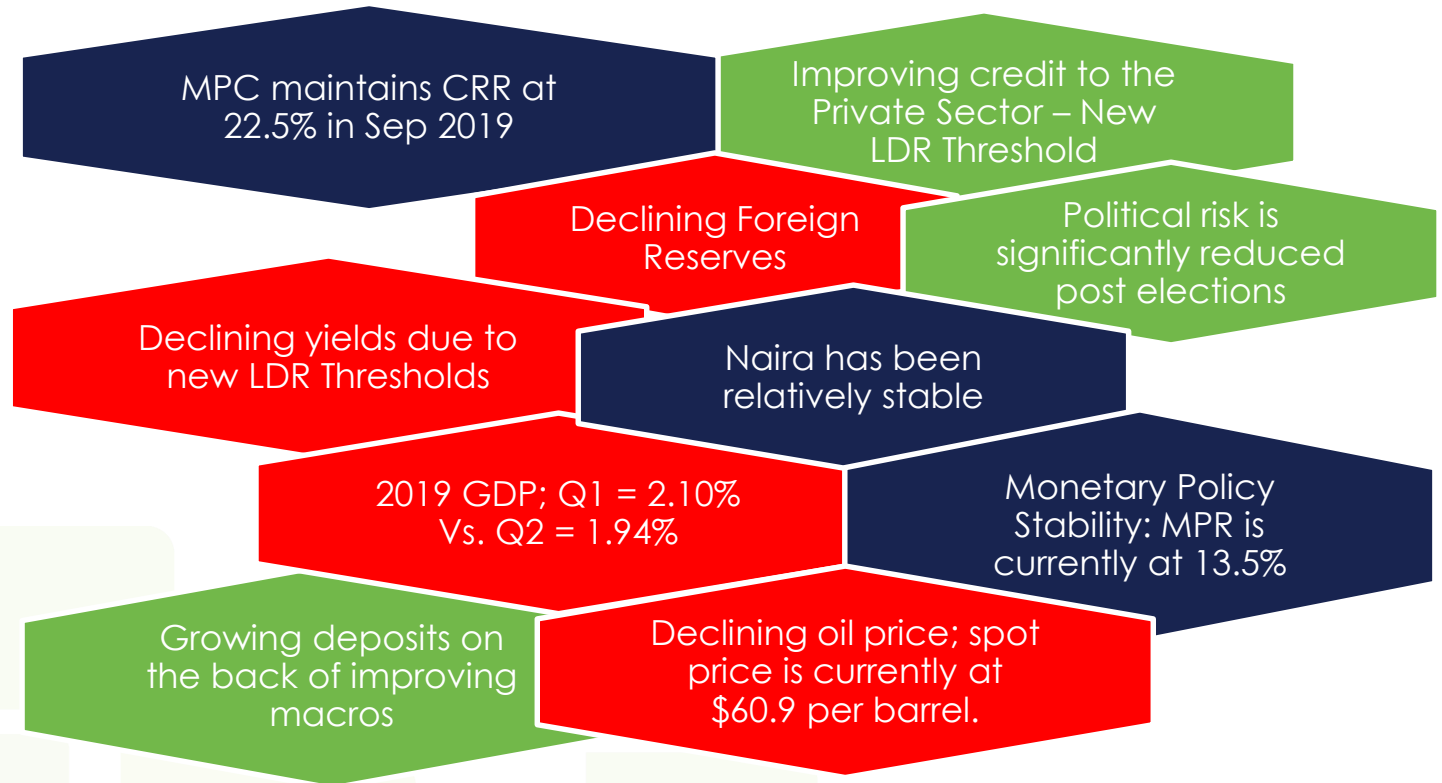


Let's Chat



To chat with IVY, log on to Facebook messenger, type **Fidelity Bank Ivy** under the chat tab

The Operating Environment



Stable -	
Improving -	
Declining -	



Fidelity SME Forum



Please tune in to the next live edition of Fidelity SME Forum as

Dr. Yetunde Ayo-Oyalowo

Founder/Chief Executive Officer, Market Doctors
shares her insights on

TOPIC: Positioning Your Business for Funding: Key Insights from Market Doctors
(Winner of the Maiden Fidelity SME Funding Grants Competition)



Performance Highlights



Revenue and Efficiency Ratio

- ❑ Total Interest Income up by 12.2% to N135.1 billion in 9M 2019 (9M 2018: N120.4 billion)
- ❑ Operating Expenses up by 14.5% to N57.9 billion in 9M 2019 (9M 2018: N50.6 billion)
- ❑ Cost to Income Ratio increased to 71.7% in 9M 2019 from 68.4% in 9M 2018
- ❑ PBT up by 14.7% to N23.0 billion in 9M 2019 (PAT came in at N21.5 billion)

Asset Quality

- ❑ Cost of Risk was down at 0.0% in 9M 2019 from 0.5% in 2018FY
- ❑ NPL Ratio down to 4.8% in 9M 2019 from 5.7% in 2018FY
- ❑ Coverage Ratio was down to 102.4% in 9M 2019 from 110.7% in 2018FY
- ❑ FCY Loans accounted for 43.4% of Net Loans from 41.1% in 2018FY

Capital Adequacy and Liquidity

- ❑ Capital Adequacy Ratio of 16.4%, based on Basel II computation
- ❑ Liquidity Ratio of 32.6% compared to regulatory minimum of 30.0%
- ❑ Gross loans to funding ratio stood at 68.4% in 9M 2019 from 64.2% in 2018FY
- ❑ Total Equity at N221.7 billion compared to N194.4 billion in 2018FY

Financial Highlights



- ❑ Gross earnings increased by 16.3% to N161.4 billion due to double digit growth across key income lines: Credit Related Fees (132.3%), digital banking income (42.7%), trade income (31.8%), account maintenance fees (18.1%), interest income on liquid assets (14.0%) and N2.4 billion one-off asset disposal gain.
- ❑ Total interest income increased by 12.2% to N135.1 billion on account of 17.7% YoY (N211.6 billion) expansion in earning assets.
- ❑ Net interest margin (NIM) improved to 6.0% QoQ from 5.8% in H1 2019 as the growth in the yield on earning assets outpaced the growth in average funding costs. NIM now within guidance for the year.
- ❑ Total operating income increased by 9.3% to N80.7 billion while total operating expenses increased by 14.5% driven largely by NDIC | AMCON | Advert which accounted for 60.3% of the increase in operating expenses.
- ❑ PBT increased by 14.7% to N23.0 billion from N20.1 billion in 9M 2018, while PAT came in at N21.5 billion.
- ❑ Total customer deposits increased by 14.0% YTD to N1,116.4 billion from N979.4 billion in 2018FY on the back of an increase in both local and foreign currency deposits.

Financial Highlights



- ❑ Domiciliary account deposits increased by 46.4% YTD to N263.2 billion and now accounts for almost 23.6% of total deposits from 18.4% in 2018FY.
- ❑ Savings deposits increased by 9.2% YTD to N248.9 billion in 9M 2019 from N228.0 billion in 2018FY and now accounts for 22.3% of total deposits.
- ❑ Net loans and advances increased by 26.4% YTD to N1,074.1 billion from N849.9 billion in 2018FY with a growth in both local currency loans (21.0%) and foreign currency loans (34.1%).
- ❑ Loan to funding ratio is now 68.4% from 64.2% in 2018FY which stood well above the new minimum LDR threshold of 65.0% effective December 31, 2019.
- ❑ Non-performing loans (NPL) ratio declined to 4.8% from 5.7% in 2018FY primarily due to 24.2% YTD increase in the gross loan book. However, absolute NPL (Stage 3 Loans) dropped by 4.9% QoQ to N53.9 billion compared to the N56.6 billion reported in H1 2019.
- ❑ Capital Adequacy Ratio (CAR) dropped to 16.4% but remains above of our internal guidance of 16.0% and the regulatory minimum of N15.0%. Only 40% of our Tier 2 Local Bond is considered in CAR computation.

Financial Highlights



Summary of Income Statement: YoY Change				
N'million	9M 2018	9M 2019	VAR	% VAR
Gross Earnings	138,745	161,383	22,639	16.3%
Interest Income Loans	88,328	98,560	10,232	11.6%
Interest Income Liquid Assets	32,071	36,556	4,485	14.0%
Total Interest Income	120,399	135,116	14,718	12.2%
Interest Expense Customer Deposits	(45,448)	(55,534)	10,086	22.2%
Interest Expense Borrowings	(16,783)	(21,337)	4,554	27.1%
Total Interest Expense	(62,231)	(76,870)	14,640	23.5%
Net Interest Income	58,168	58,246	78	0.1%
FX Income	4,410	4,685	275	6.2%
Digital Income	4,968	7,091	2,123	42.7%
Other Fee Income (Net)	6,357	10,721	4,363	68.6%
Net Fee Income	15,736	22,497	6,761	43.0%
Operating Income	73,904	80,743	6,839	9.3%
Total Expenses	(50,555)	(57,878)	7,323	14.5%
Net Impairment Losses	(3,285)	139	(3,424)	-104.2%
Profit Before Tax	20,064	23,004	2,940	14.7%

Please note: Gross earnings was calculated based on total fees & commission income

Net fee income includes net gains/ (losses) from financial instruments

Financial Highlights



Summary of Income Statement: QoQ Change					
N'million	Q1 2019	Q2 2019	Q3 2019	VAR	% VAR
Gross Earnings	49,200	54,584	57,599	3,015	5.5%
Interest Income Loans	28,400	33,685	36,475	2,790	8.3%
Interest Income Liquid Assets	11,030	12,715	12,811	96	0.8%
Total Interest Income	39,430	46,400	49,286	2,886	6.2%
Interest Expense Customer Deposits	(16,521)	(19,151)	(19,862)	711	3.7%
Interest Expense Borrowings	(6,379)	(6,880)	(8,078)	1,198	17.4%
Total Interest Expense	(22,900)	(26,031)	(27,939)	1,908	7.3%
Net Interest Income	16,530	20,369	21,347	978	4.8%
FX Income	3,022	1,479	184	(1,295)	-87.6%
E-banking Income	2,153	2,316	2,622	306	13.2%
Other Fee Income (Net)	2,695	3,887	4,138	251	6.5%
Net Fee Income	7,871	7,683	6,944	(738)	-9.6%
Operating Income	24,401	28,052	28,291	239	0.9%
Total Expenses	(16,692)	(21,477)	(19,709)	(1,768)	-8.2%
Net Impairment Losses	(1,035)	1,803	(629)	2,432	-134.9%
Profit Before Tax	6,674	8,378	7,953	(425)	-5.1%

Please note: Gross earnings was calculated based on total fees & commission income

Net fee income includes net gains/ (losses) from financial instruments

Financial Highlights



Statement of Financial Position: YTD Change

N'million	2018FY	9M 2019	VAR	% VAR
Total Assets	1,719,883	1,970,621	250,738	14.6%
Earning Assets	1,198,988	1,410,614	211,626	17.7%
Bank Placements	58,755	103,306	44,551	75.8%
Treasury Bills	189,236	131,367	(57,869)	-30.6%
Bonds	101,117	101,846	729	0.7%
Customer Loans (Naira)	500,751	605,952	105,201	21.0%
Customer Loans (FCY)	349,129	468,144	119,015	34.1%
Non-Earning Assets	520,895	560,007	39,112	7.5%
Cash	44,624	28,006	(16,618)	-37.2%
Cash Reserve	249,614	311,281	61,667	24.7%
Bal. with other Banks/Settlement Acct	143,571	116,156	(27,415)	154.0%
Fixed Assets	36,909	37,639	730	2.0%
All Other Assets	46,177	66,924	20,747	44.9%
Interest Bearing Liabilities	1,411,652	1,647,436	235,784	16.7%
Demand	571,329	630,392	59,063	10.3%
Savings	227,970	248,881	20,911	9.2%
Time Deposits	180,114	237,143	57,029	31.7%
Other Borrowings	67,665	113,626	45,961	67.9%
On-lending Facilities	191,472	236,619	45,147	23.6%
Debt Securities	173,102	180,775	7,673	4.4%
All Other Liabilities	113,815	101,457	(12,358)	-10.9%
Equity	194,416	221,728	27,312	14.0%

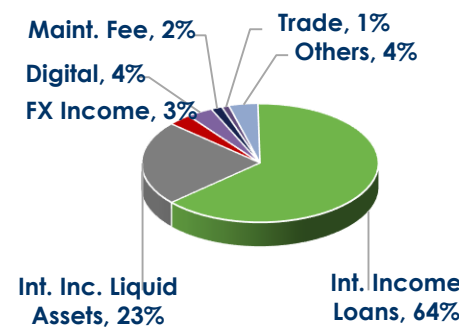
Please note: The Balance Sheet was converted at an exchange rate of N362.08/USD, being the NAFEX Rate in 9M 2019

Gross Earnings Analysis

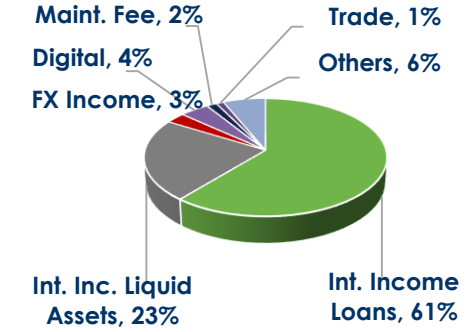


Key Highlights (N'm)	9M 2018	9M 2019	VAR	% VAR
Total Earnings	138,745	161,383	22,639	16.3%
Interest Income Loans	88,328	98,560	10,232	11.6%
Int. Inc. Liquid Assets	32,071	36,556	4,485	14.0%
FX Income	4,410	4,685	275	6.2%
Digital Income	4,968	7,091	2,123	42.7%
A/C Maintenance fee	2,104	2,485	381	18.1%
Trade Income	1,387	1,828	441	31.8%
Other Income	5,477	10,178	4,701	85.8%

Total Earnings: 9M 2018

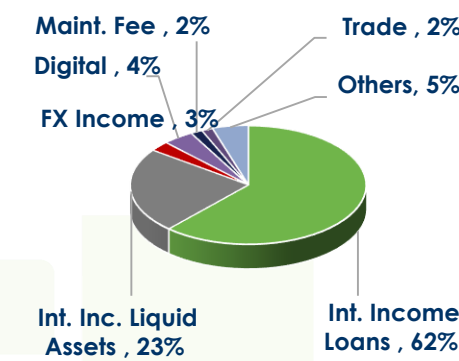


Total Earnings: 9M 2019

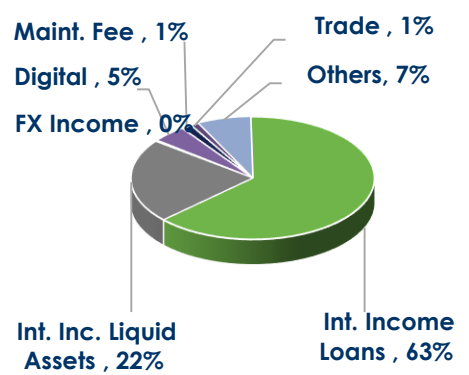


Key Highlights (N'm)	Q2 2019	Q3 2019	VAR	% VAR
Total Earnings	54,584	57,599	3,015	5.5%
Interest Income Loans	33,685	36,475	2,790	8.3%
Int. Inc. Liquid Assets	12,715	12,811	96	0.8%
FX Income	1,479	184	(1,295)	-87.6%
Digital Income	2,316	2,622	306	13.2%
A/C Maintenance fee	884	801	(82)	-9.3%
Trade Income	833	624	(209)	-25.1%
Other Income	2,672	4,081	1,409	52.7%

Total Earnings: Q2 2019



Total Earnings: Q3 2019



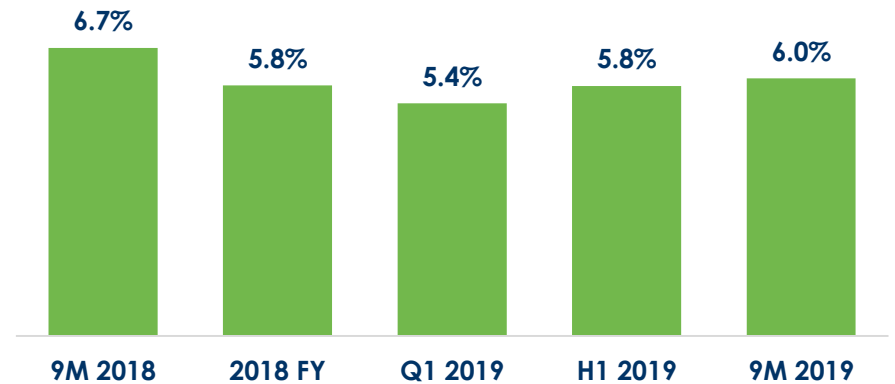
- Increased cross selling and customer base resulted in 42.7% growth in digital banking income.
- Other Income includes N2.4bn one-off asset disposal gain

Net Interest Margin Analysis

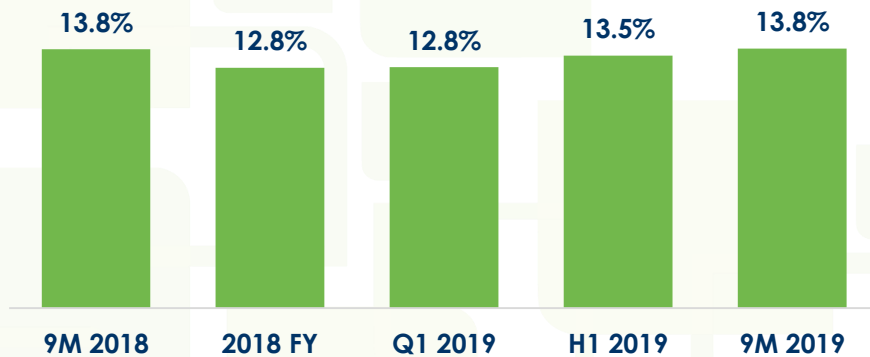


- ▶ NIM improved to 6.0% from 5.8% in H1 2019, due to an increase in the average yield on earning assets (30bpts) which compensated for the 10bpts growth in average funding cost.
- ▶ Improvement in the average yield on earnings assets was driven by the yield on liquid assets which increased from 14.1% in Q2 to 14.8% in Q3, 2019.
- ▶ Yields and funding costs are likely to decline in Q4 due to the revised LDR threshold of 65% and new restrictions on OMO transactions.

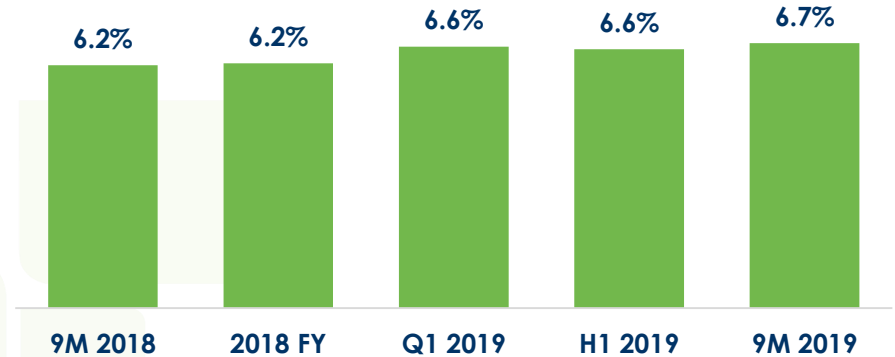
NIM Trend



Yield on Earning Assets



Funding Cost

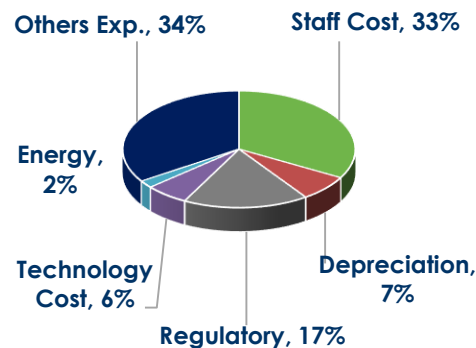


Total Expense Analysis

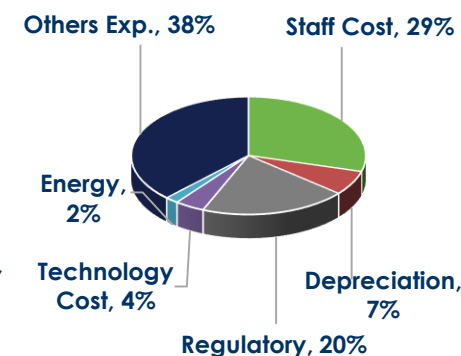


Key Highlights (N'm)	9M 2018	9M 2019	VAR	% VAR
Total Expenses	50,555	57,878	7,323	14.5%
Staff Cost	16,747	17,013	267	1.6%
Depreciation	3,632	3,889	257	7.1%
NDIC/AMCON Cost	8,800	11,697	2,897	32.9%
Technology Cost	3,036	2,362	-674	-22.2%
Energy Cost	1,042	1,071	29	2.8%
Security	932	782	-150	-16.1%
Branding & Advert	5,581	7,103	1,522	27.3%
Other Expenses	10,786	13,962	3,176	29.4%

Total Expenses: 9M 2018

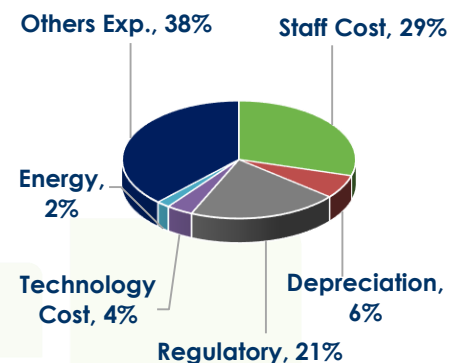


Total Expenses: 9M 2019

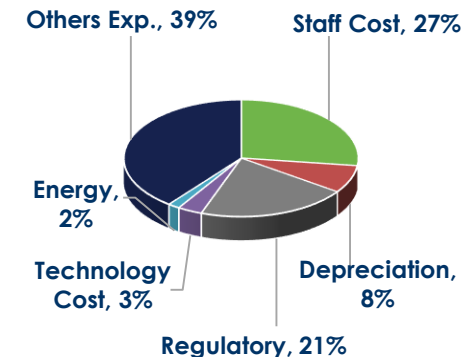


Key Highlights (N'm)	Q2 2019	Q3 2019	VAR	% VAR
Total Expenses	21,477	19,709	-1,768	-8.2%
Staff Cost	6,328	5,338	-990	-15.6%
Depreciation	1,384	1,512	128	9.2%
NDIC/AMCON Cost	4,450	4,092	-358	-8.0%
Technology Cost	788	666	-122	-15.5%
Energy Cost	395	321	-74	-18.8%
Security	324	329	5	1.5%
Branding & Advert	3,131	2,673	-459	-14.6%
Other Expenses	4,676	4,779	102	2.2%

Total Expenses: Q2 2019



Total Expenses: Q3 2019



- Opex reduced by 8.2% in Q3 though CIR is still above our guidance.
- The largest single cost line remains regulatory charges (NDIC | AMCON). In our current expansion phase, we expect regulatory charges to continue to tick up as we mobilize more customer deposits and grow our assets base.

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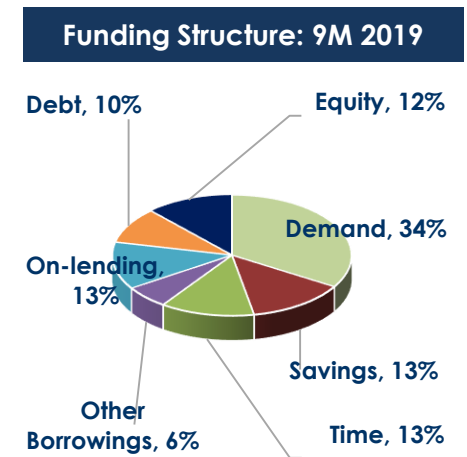
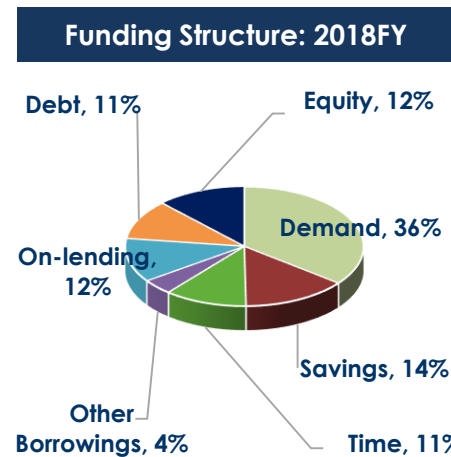


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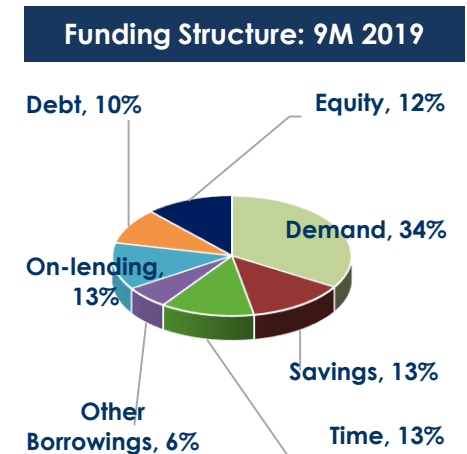
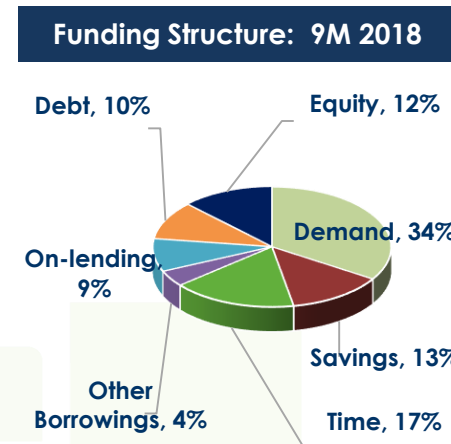
Funding Base Analysis



Key Highlights (N'm)	2018FY	9M 2019	VAR	% VAR
Demand Deposits	571,329	630,392	59,063	10.3%
Savings Deposits	227,970	248,881	20,911	9.2%
Tenor Deposits	180,114	237,143	57,029	31.7%
Other Borrowings	67,665	113,626	45,961	67.9%
On-Lending	191,472	236,619	45,147	23.6%
Debt Securities	173,102	180,775	7,673	4.4%
Equity	194,416	221,728	27,312	14.0%
Total	1,606,068	1,869,164	263,096	16.4%



Key Highlights (N'm)	9M 2018	9M 2019	VAR	% VAR
Demand Deposits	525,003	630,392	105,389	20.1%
Savings Deposits	201,661	248,881	47,220	23.4%
Tenor Deposits	260,166	237,143	(23,023)	-8.8%
Other Borrowings	67,034	113,626	46,592	69.5%
On-Lending	136,988	236,619	99,631	72.7%
Debt Securities	160,032	180,775	20,743	13.0%
Equity	192,387	221,728	29,341	15.3%
Total	1,543,270	1,869,164	325,894	21.1%

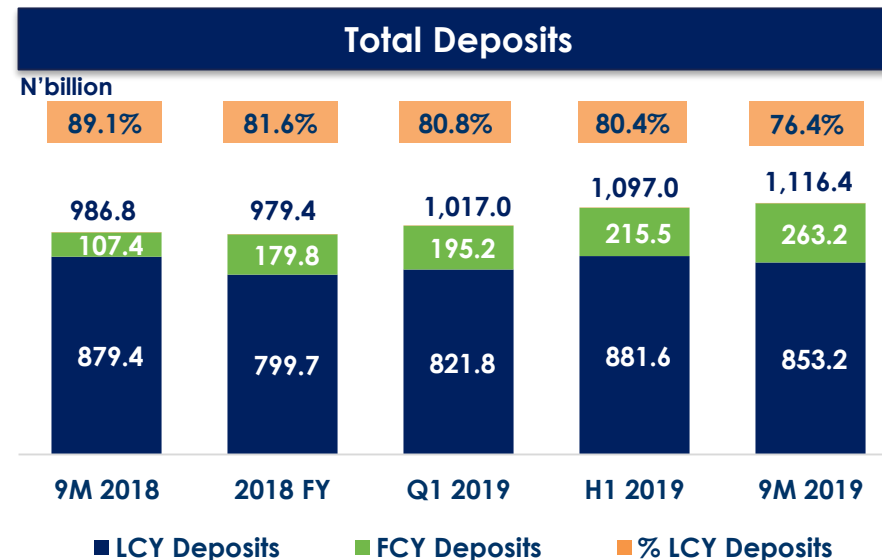


- Funding base increased across all funding sources; the increase in other borrowings was caused by the reclassification of N58 billion offshore facilities (trade lines) from other liabilities.
- Total deposits now account for 59.7% of total funding base (2018FY: 61.0%) and 67.8% of interest bearing liabilities.

Deposits Analysis



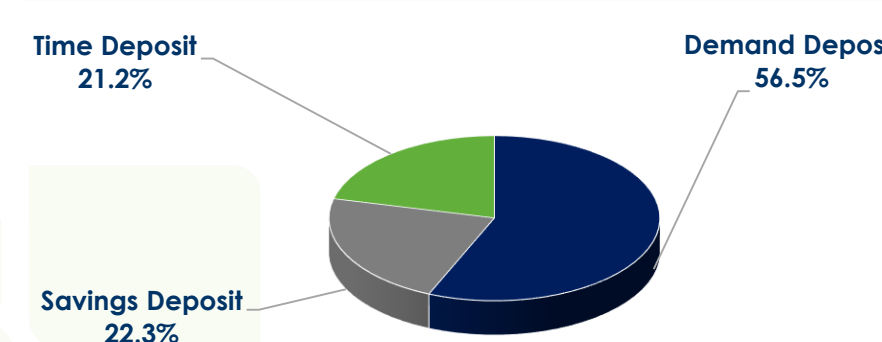
- ▶ Total deposits increased by 14.0% YTD to N1,116.4 billion from N979.4 billion in 2018FY.
- ▶ FCY deposits increased by 46.4% YTD and now accounts for nearly 23.6% of total deposits.
- ▶ Low cost deposits now constitute 78.8% of total deposits from 81.6% in 2018FY.
- ▶ However, absolute low cost deposits increased by 10.0% to N879.3 billion from N799.3 billion in 2018FY.



Deposits by Products – 2018FY Vs. 9M 2019



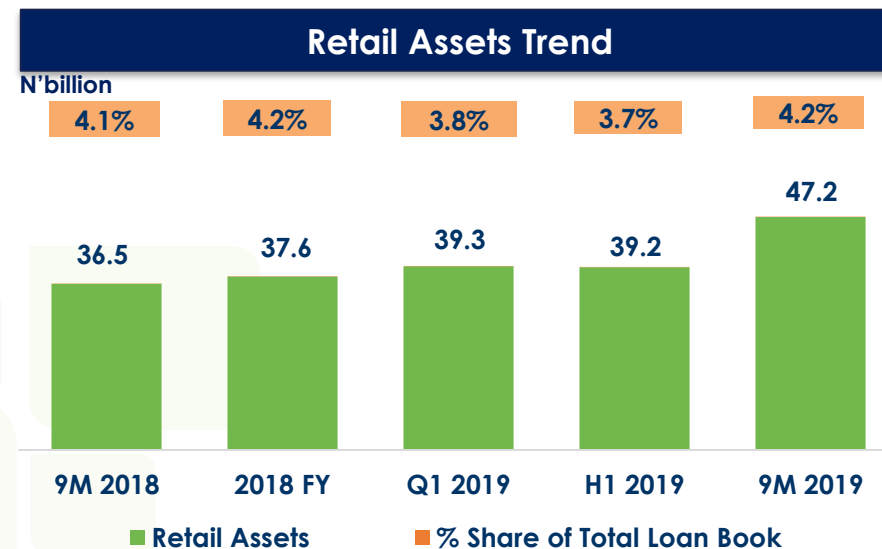
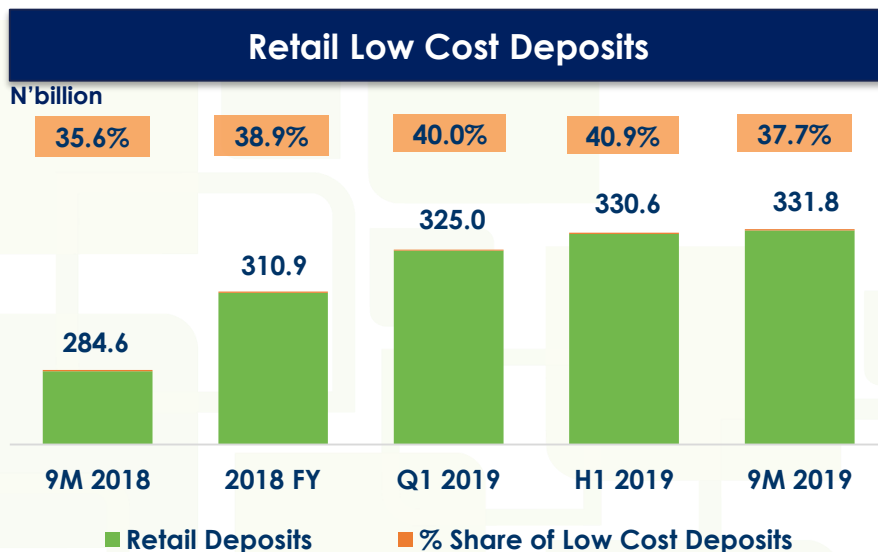
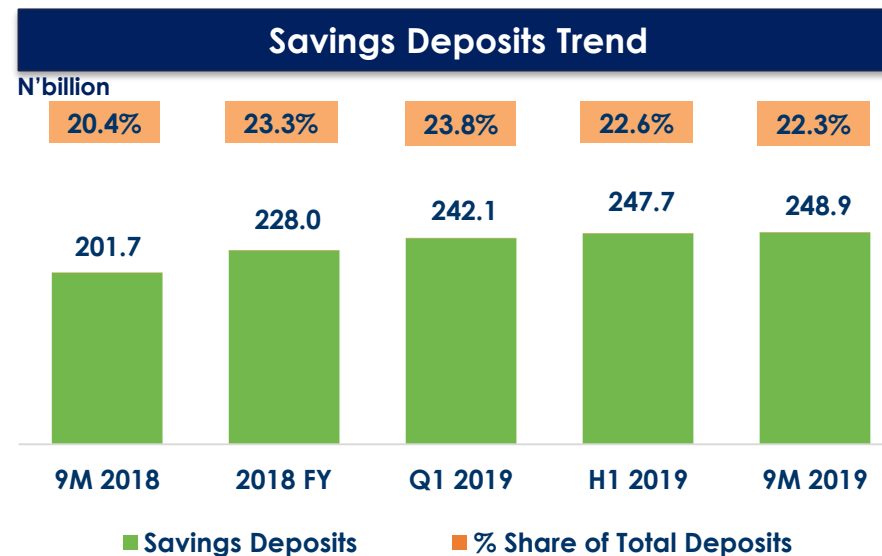
Deposits by Products – 9M 2019



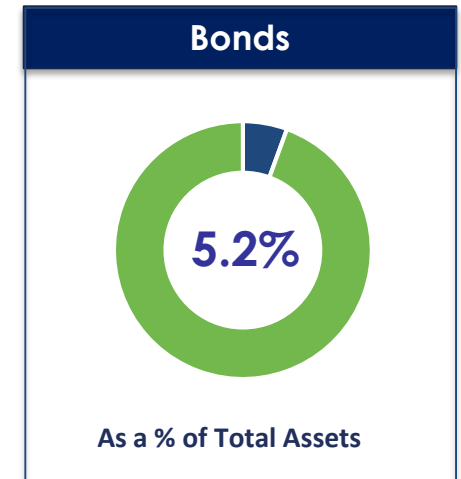
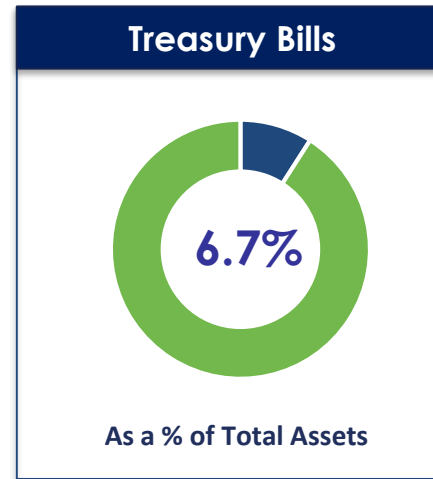
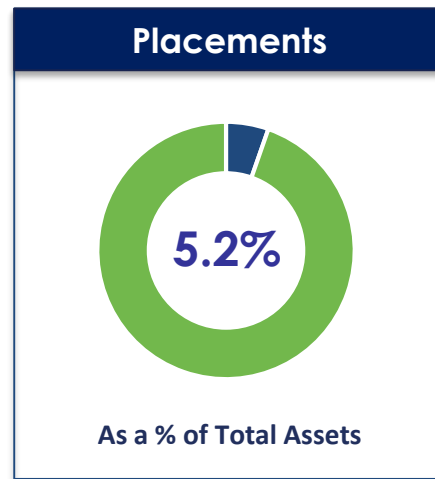
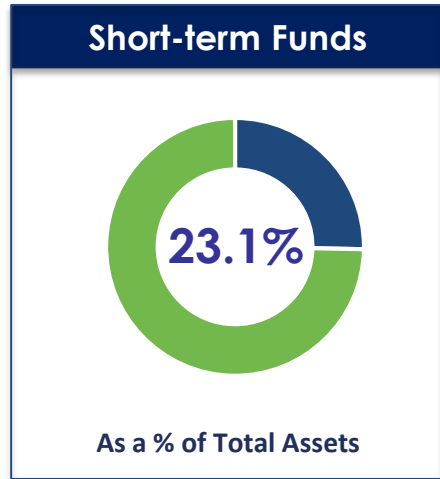
Retail Banking Analysis (Personal Banking)



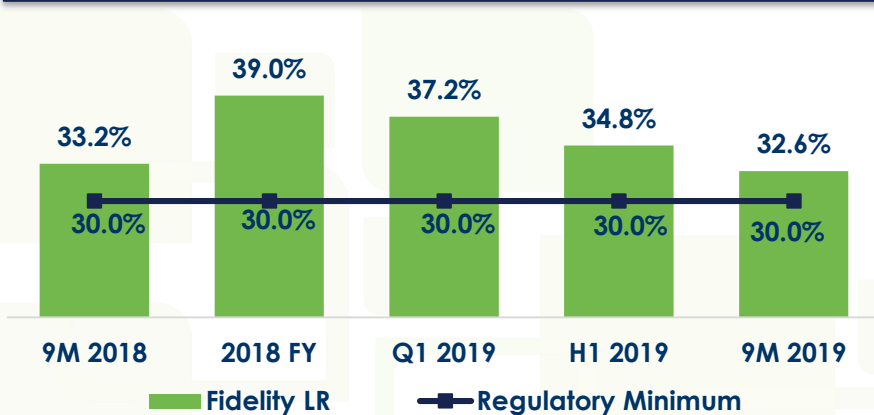
- ▶ Savings deposits grew by 9.2% YTD billion and accounts for 22.3% of total deposits.
- ▶ Growth was as a result of the disciplined execution of our retail banking strategy and improved cross-selling of our digital products.
- ▶ We are on track towards achieving a double digit growth on savings as Q4 is traditionally a strong growth period.
- ▶ We expect retail assets to continue to tick up as we expand our digital lending services and deepen our lending partnerships with select Fintechs.



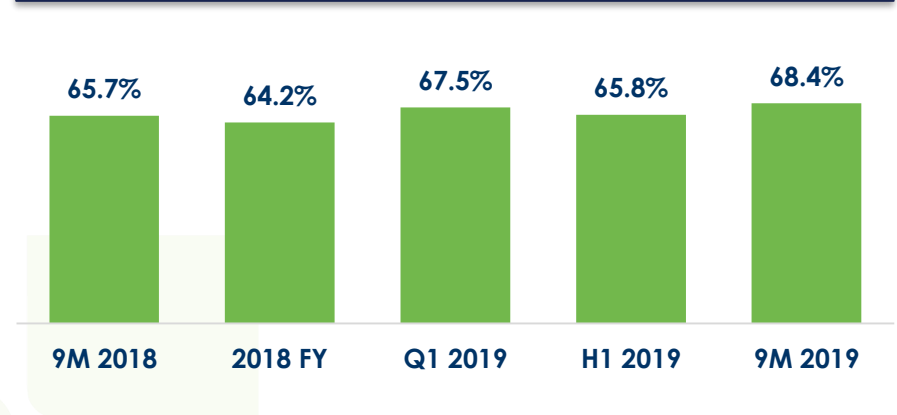
Liquid Assets Position



Liquidity Ratio



Gross Loans to Funding Ratio



- Gross loans to funding ratio stood at 68.4% compared to 64.2% in 2018FY, which remains above the new minimum requirement of 65%.
- The strategy is to defend our market share whilst still pricing appropriately for risk

Loan Portfolio Analysis



Breakdown of Loans & Advances to Customers: 2018FY Vs. 9M 2019

N'million	2018FY	9M 2019	VAR	% VAR
Communication	22,463	29,203	6,741	30.0%
Oil and Gas	207,918	254,790	46,872	22.5%
- Upstream	120,489	131,307	10,819	9.0%
- Downstream	32,950	62,358	29,408	89.2%
- Services	54,480	61,125	6,646	12.2%
Power	112,709	117,900	5,191	4.6%
Manufacturing	131,894	216,710	84,816	64.3%
General Commerce	90,089	94,314	4,225	4.7%
Transport	96,757	131,777	35,020	36.2%
Consumer (Individuals)	37,641	47,185	9,545	25.4%
Government	112,595	108,690	-3,905	- 3.5%
Construction	31,154	34,995	3,840	12.3%
Agriculture	17,033	29,773	12,739	74.8%
Real Estate	30,355	28,347	-2,009	- 6.6%
Education	3,951	5,082	1,131	28.6%
Finance and Insurance	4,944	4,634	-310	- 6.3%
Others	7,121	23,061	15,940	223.9%
Total	906,623	1,126,460	219,837	24.2%

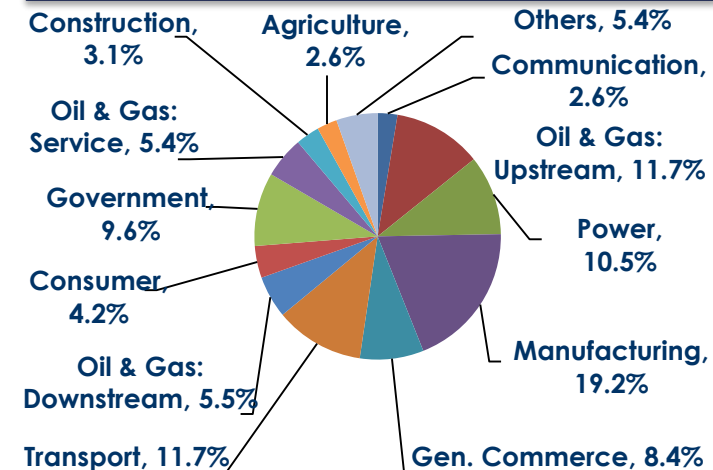
Loan Portfolio Analysis



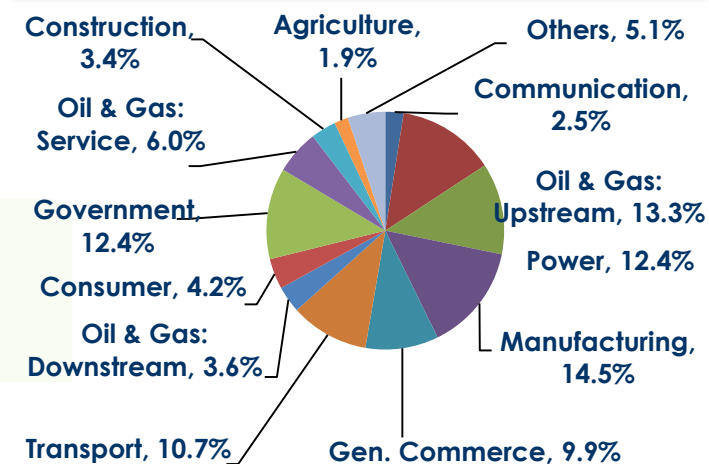
Breakdown of Loans & Advances to Customers

N'million	2018FY	Q1 2019	H1 2019	9M 2019
Communication	22,463	25,972	25,426	29,203
Oil and Gas	207,918	231,061	227,370	254,790
- Upstream	120,489	130,059	118,805	131,307
- Downstream	32,950	45,939	46,489	62,358
- Services	54,480	55,063	62,077	61,125
Power	112,709	113,023	112,875	117,900
Manufacturing	131,894	173,486	204,668	216,710
Gen. Commerce	90,089	101,127	73,562	94,314
Transport	96,757	120,956	127,540	131,777
Consumer	37,641	39,279	39,152	47,185
Government	112,595	109,103	115,900	108,690
Construction	31,154	32,771	36,494	34,995
Agriculture	17,033	32,070	37,007	29,773
Real Estate	30,355	28,749	30,062	28,347
Education	3,951	4,001	5,556	5,082
Fin. & Insurance	4,944	3,714	4,091	4,634
Others	7,121	8,919	10,527	23,061
Total	906,623	1,024,233	1,050,231	1,126,460

Loan Analysis – 9M 2019



Loan Analysis – 2018FY

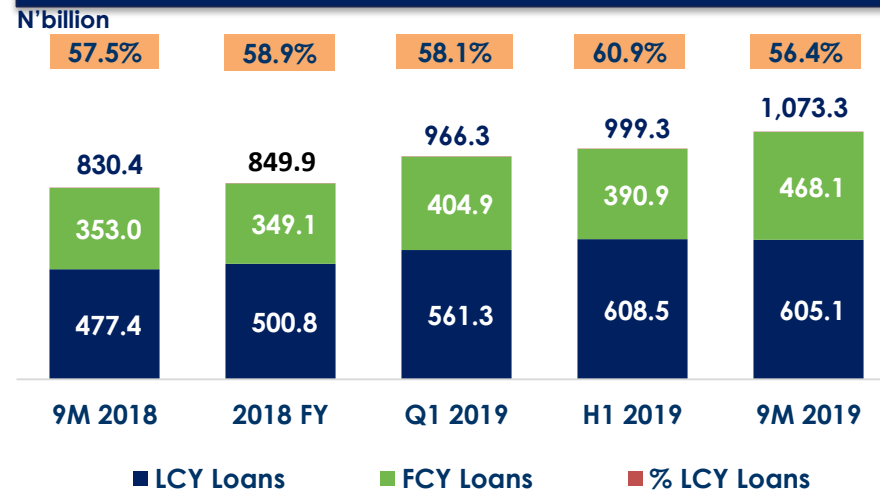


Loan Book Analysis

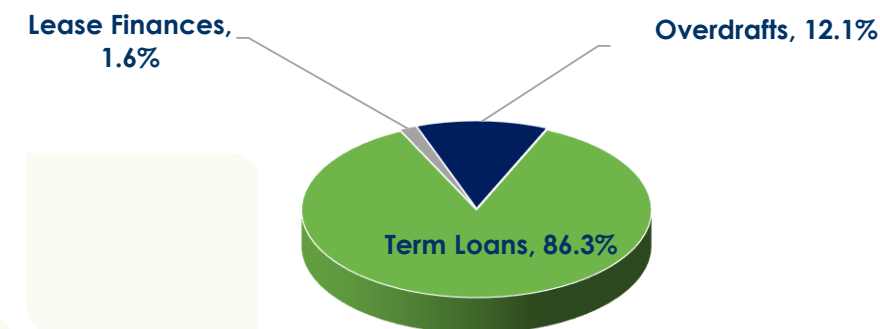


- ▶ Net loans and advances increased by 26.4% YTD to N1,074.1 billion and this was primarily driven by 3 sectors that accounted for over 81% of the loan growth as follows:
- ▶ Manufacturing (38.6%), Oil & Gas (21.3%), and Transport Sector (15.9%).
- ▶ The manufacturing sector is one of the largest beneficiaries of Intervention Funds for On-lending Facilities.
- ▶ FCY loans grew by 34.1% YTD and now constitute about 43.6% of total loan book.

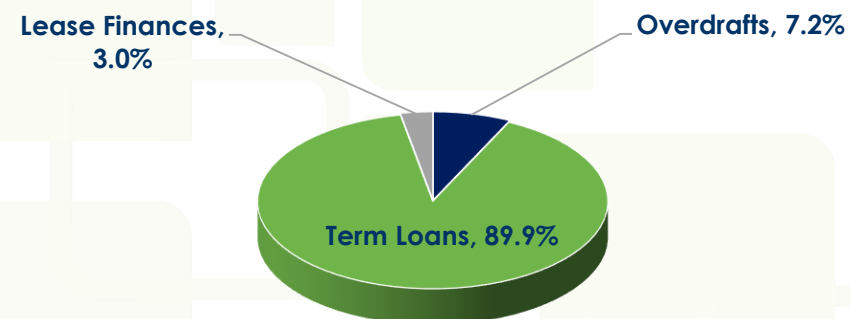
Net Loans and Advances to Customers



Total Loans by Type – 9M 2019



Total Loans by Type – 2018FY



Loan Book Breakdown – Stage 1 | 2 | 3



Breakdown of Loans & Advances to Customers				
N'million	Stage 1	Stage 2	Stage 3	Total
Communication	17,088	9,698	2,417	29,203
Oil and Gas	197,454	41,714	15,621	254,790
- Upstream	131,307	-	-	131,307
- Downstream	36,692	11,141	14,525	62,358
- Services	29,456	30,573	1,096	61,125
Power	4,858	113,042	-	117,900
Manufacturing	208,023	904	7,784	216,710
General Commerce	86,248	368	7,698	94,314
Transport	99,101	23,257	9,419	131,777
Consumer (Individuals)	43,976	126	3,083	47,185
Government	78,525	30,140	25	108,690
Construction	8,210	25,698	1,087	34,995
Agriculture	26,135	1,080	2,557	29,773
Real Estate	5,505	20,872	1,970	28,347
Education	4,118	3	960	5,082
Finance and Insurance	4,497	128	9	4,634
Others	20,597	1,240	1,223	23,061
Total	804,337	268,271	53,852	1,126,460
% Share of Total	71.4%	23.8%	4.8%	100.0%
Coverage Ratio	0.4%	8.5%	51.2%	

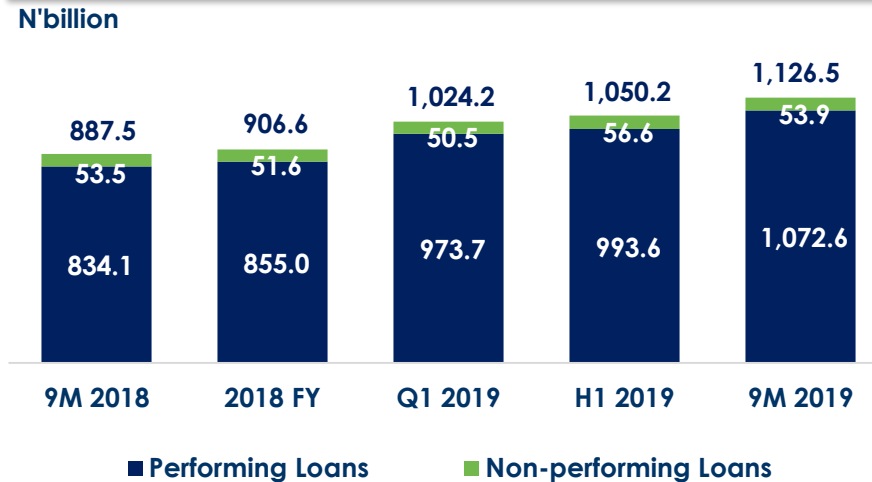
➤ Stage 2 Loans increased in the Government and Real Estate Sector due to payment delays that have now been made in Q4

NPL Analysis

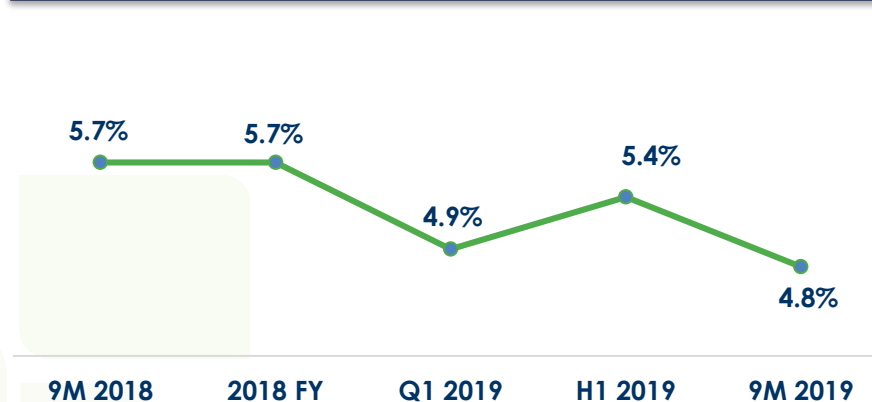


- ▶ NPL ratio (Stage 3 Loans) declined to 4.8% from 5.7% in 2018FY due to an increase in the total loan book by 24.2%
- ▶ Stage 3 Loans increased by 4.3% YTD to N53.9 billion, but dropped by 4.9% QoQ compared to H1 2019.
- ▶ The key sectors responsible for the QoQ drop in Stage 3 Loans were Oil & Gas | Manufacturing | Real Estate | Construction etc.
- ▶ Coverage ratio stood at 102.4% while our NPL Guidance for the year still remains below 6.0%.

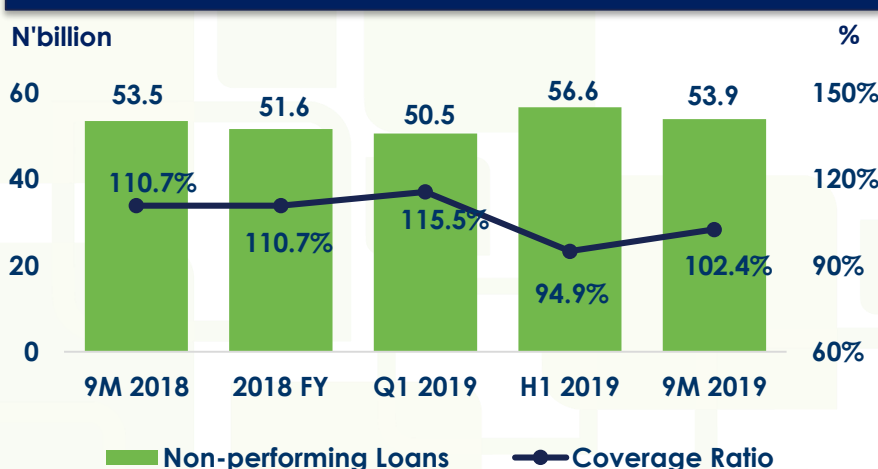
Gross Loans and Advances



Non-performing Loans



NPL Coverage Ratio



NPL Portfolio Analysis



Breakdown of Non-performing Loans: 2018FY Vs. 9M 2019

	2018FY N'million	9M 2019 N'million	VAR N'million	% VAR %	2018FY NPL Ratio	9M 2019 NPL Ratio
Communication	1,155	2,417	1,261	109.2%	5.1%	8.3%
Oil and gas	12,374	15,621	3,247	26.2%	6.0%	6.1%
- Oil & Gas Upstream	-	-	-	0.0	0.0%	0.0%
- Oil & Gas Downstream	11,331	14,525	3,194	28.2%	34.4%	23.3%
- Oil & Gas Services	1,043	1,096	53	5.1%	1.9%	1.8%
Power	-	-	-	0.0	0.0%	0.0%
Manufacturing	9,197	7,784	(1,413)	-15.4%	7.0%	3.6%
General Commerce	4,035	7,698	3,663	90.8%	4.5%	8.2%
Transport	14,791	9,419	(5,372)	-36.3%	15.3%	7.1%
Consumer (Individuals)	3,037	3,083	46	1.5%	8.1%	6.5%
Government	25	25	0	0.0%	0.0%	0.0%
Construction	876	1,087	211	24.1%	2.8%	3.1%
Agriculture	2,317	2,557	239	10.3%	13.6%	8.6%
Real Estate	2,307	1,970	(338)	-14.6%	7.6%	6.9%
Education	1,128	960	(168)	-14.9%	28.5%	18.9%
Finance and Insurance	5	9	5	99.3%	0.1%	0.2%
Others	361	1,223	862	238.7%	5.1%	5.3%
Total	51,608	53,852	2,244	4.3%	5.7%	4.8%

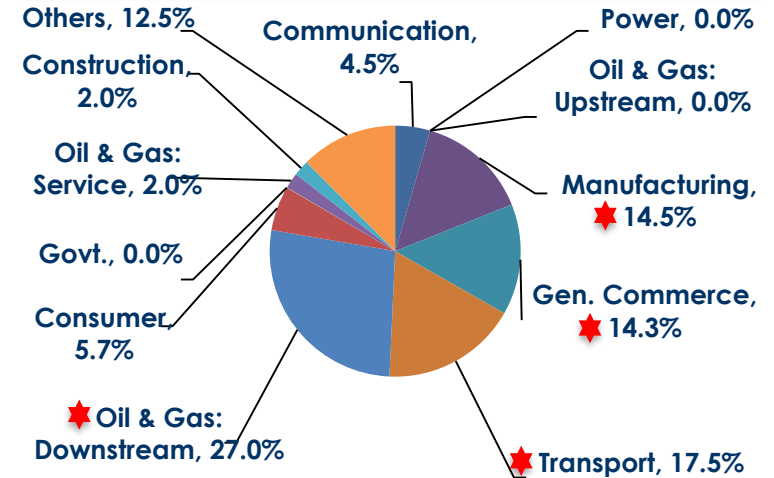
NPL Portfolio Analysis



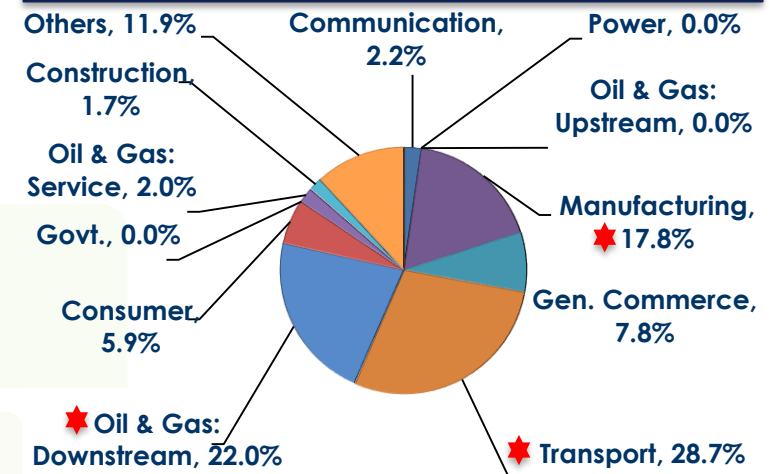
Breakdown of Non-performing Loans

N'million	2018FY	Q1 2018	H1 2019	9M 2019
Communication	1,155	1,229	1,722	2,417
Oil and Gas	12,374	12,467	16,859	15,621
- Upstream	0	0	0	-
- Downstream	11,331	11,342	12,932	14,525
- Services	1,043	1,124	3,927	1,096
Power	0	0	3	-
Manufacturing	9,197	9,252	10,996	7,784
Gen. Commerce	4,035	4,121	6,636	7,698
Transport	14,791	13,365	8,602	9,419
Consumer	3,037	2,938	3,115	3,083
Government	25	25	25	25
Construction	876	971	1,635	1,087
Agriculture	2,317	2,388	2,718	2,557
Real Estate	2,307	2,260	2,601	1,970
Education	1,128	1,049	1,003	960
Fin. & Insurance	5	82	12	9
Others	361	388	681	1,223
Total	51,608	50,535	56,608	53,852

NPL Analysis – 9M 2019



NPL Analysis – 2018FY

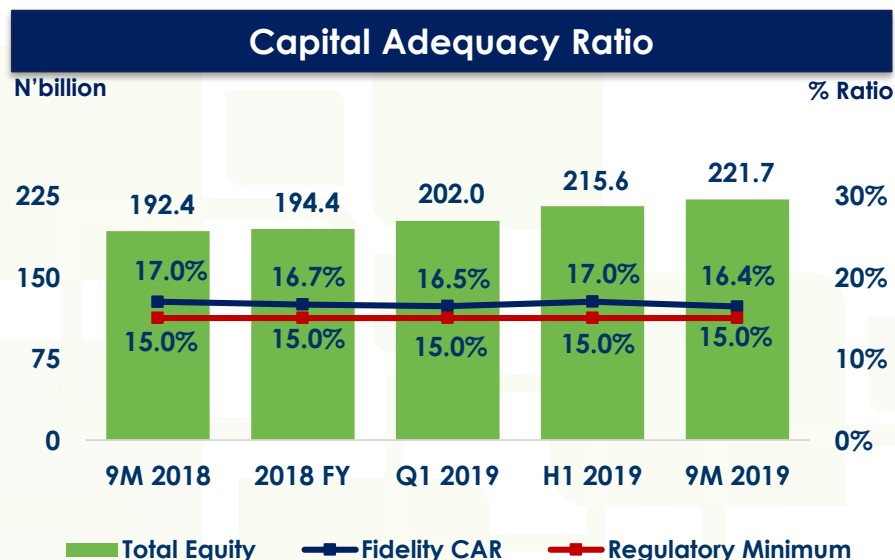


★ Pressure NPL Sectors

Capital Adequacy



- ▶ CAR is now 16.4% which remains well above the regulatory minimum requirement of 15.0%.
- ▶ Regulatory adjustment dropped to N14.1 billion on account of capitalized profit which boosted total equity in H1 2019.
- ▶ Excluding the Regulatory Adjustment, Fidelity CAR would have been 17.5% in 9M 2019.
- ▶ Only 40% of our N30.0 billion local debt is recognized in Tier II Capital.



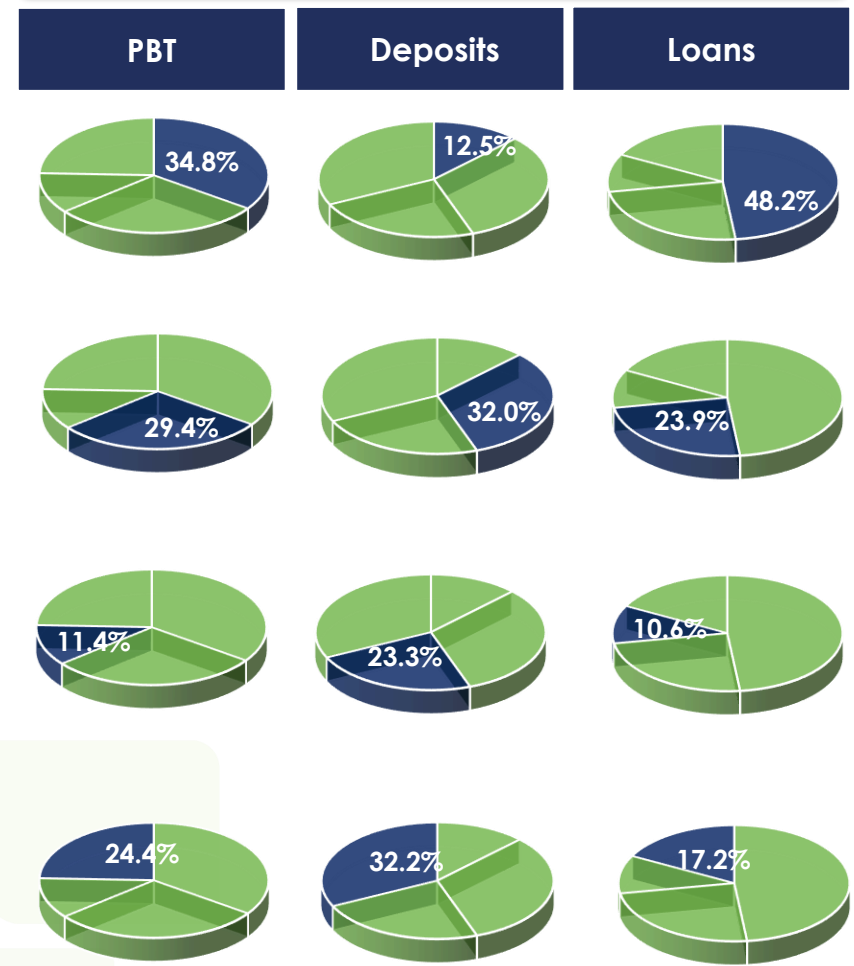
Capital Adequacy Ratio Computation – Basel II			
N'billion	2018FY	9M 2019	VAR
Tier 1 Capital	180.1	191.5	11.4
Regulatory Adjustment	(16.3)	(14.1)	-2.3
Adjusted Tier 1 Capital	163.8	177.4	13.6
Tier 2 Capital	25.0	29.2	4.2
Total Qualified Capital	188.9	206.7	17.8
Credit Risk	887.1	1,041.0	153.9
Market Risk	67.6	48.0	-19.6
Operational Risk	179.4	174.4	-5.0
Risk Weighted Assets	1,134.1	1,263.4	129.3
Capital Adequacy Ratio			
Tier 1	14.4%	14.0%	
Tier 2	2.2%	2.3%	
Overall CAR	16.7%	16.4%	

Strategic Business Units Analysis



	Business Description
Corporate & Investment Banking	<ul style="list-style-type: none"> ➤ Handles the bank's institutional clients with turnover in excess of ₦5.0 billion. ➤ Key focus sectors include: <ul style="list-style-type: none"> ❑ Oil & gas upstream ❑ Oil & gas downstream ❑ Power & infrastructure ❑ Telecom & fintech. ❑ FMCG ❑ Construction & real est. ❑ Agriculture ❑ Transport & shipping
Lagos & SW Bank	<ul style="list-style-type: none"> ➤ Handles retail, commercial, SME customers, and clients not matching the corporate banking criteria etc. ➤ Drives retail deposits, lending, payroll and e-products etc. ➤ Operates at 101 locations
North Bank	<ul style="list-style-type: none"> ➤ Handles retail, commercial, SME customers, and clients not matching the corporate banking criteria etc. ➤ Drives retail deposits, lending, payroll and e-products etc. ➤ Operates at 59 locations including FCT.
South Bank	<ul style="list-style-type: none"> ➤ Handles retail, commercial, SME customers, and clients not matching the corporate banking criteria etc. ➤ Drives retail deposits, lending, payroll and e-products etc. ➤ Operates at 90 locations

Location Based Analysis



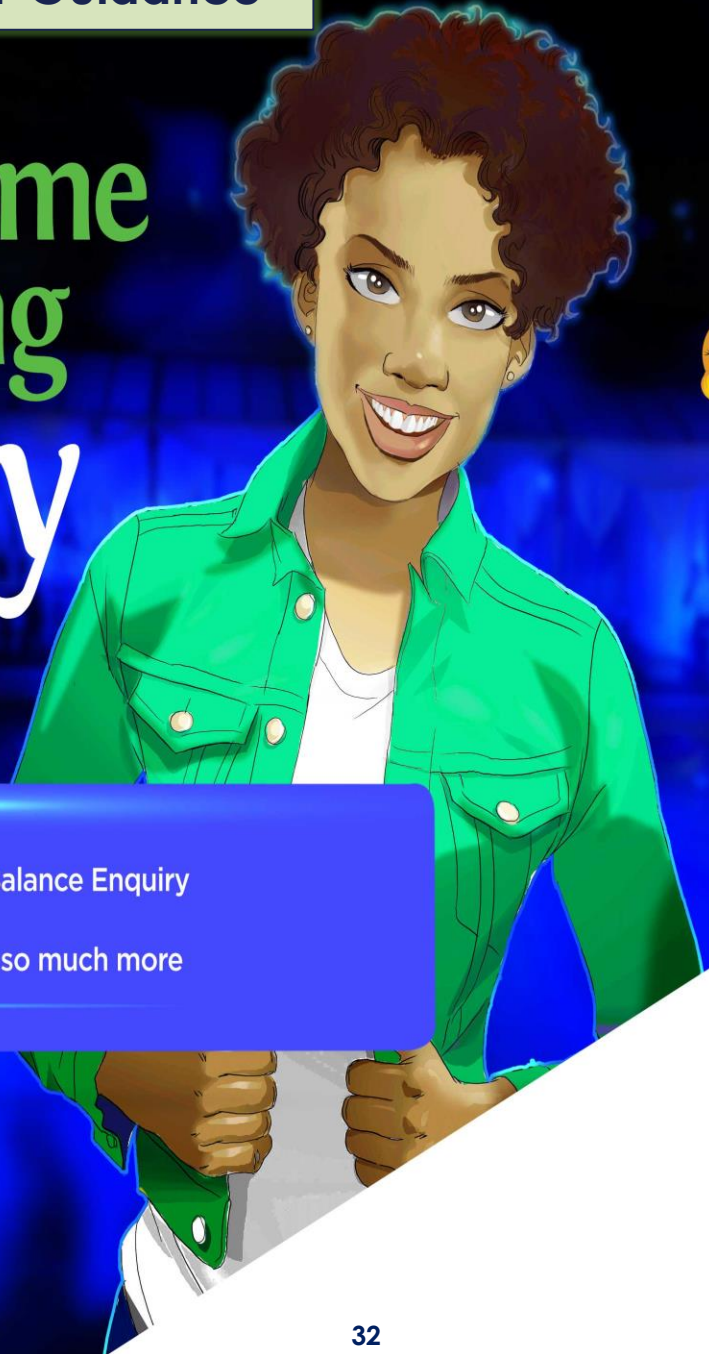
Let's do some softbanking

I am Ivy

Fidelity Bank's Virtual Assistant

I can help with:

- Bill Payments • Account Opening • Balance Enquiry
- Fund Transfers • Forex Rates • and so much more



Let's Chat

To chat with IVY, log on to Facebook messenger, type **Fidelity Bank Ivy** under the chat tab

9M 2019 Actual Vs. 2019FY Guidance



GROWTH EXPECTATIONS ON KEY INDICATORS				
S/N	Index	9M 2019 Actual	2019FY Target	Comment
1	Net Interest Margin	6.0%	6.0% – 6.5%	On Track
2	Tax Rate	6.7%	10.0% – 15.0%	On Track
3	Loan Growth (YTD)	26.4%	7.5% - 10.0%	On Track
4	Deposit Growth (YTD)	14.0%	7.5% - 10.0%	On Track
5	Cost to Income Ratio	71.7%	Below 70.0%	Behind Target
6	Proposed Dividends	N/A	30-50% (of PAT) band	N/A
7	NPL Ratio	4.8%	Below 6.0%	On Track
8	Cost of Risk	0.0%	1.25%	On Track
9	ROAE – Post Tax	13.8%	13.0%	On Track

Thank You

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